

Business & Economic Development Advisory Committee

Minutes

12 March 2024

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

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City of
Norwood
Payneham
& St Peters

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VENUE Mayors Parlour, Norwood Town Hall

HOUR 6.30pm

PRESENT

Committee Members Mayor Robert Bria (Presiding Member)
Cr Grant Piggott
Cr Victoria McFarlane (entered the meeting at 6.44pm)
Cr John Callisto
Ms Amanda Grocock
Ms Amanda Pepe
Mr Ben Pudney
Mr Matt Grant
Ms Rebecca Thomas
Ms Trish Hansen

Staff Keke Michalos (Manager, Economic Development & Strategy)
Tyson McLean (Economic Development Officer)

APOLOGIES Nil

ABSENT Mr Joshua Baldwin

TERMS OF REFERENCE:

The Business & Economic Development Advisory Committee is established to fulfil the following functions:

- *To provide high-level independent expert advice to the Council on economic development matters and employment growth opportunities in the City of Norwood Payneham & St Peters and to have oversight of the continued implementation of the Council's Economic Development Strategy.*
- *To identify issues, opportunities, and initiatives which impact on business and economic development in the City of Norwood Payneham & St Peters.*
- *To provide advice to the Council and recommend actions, including the conduct of studies associated with business and economic development, as required, in order to facilitate the identification of opportunities, issues, strategies and actions.*
- *To assist the Council to facilitate and promote economic growth and development in the City of Norwood Payneham & St Peters.*
- *To provide advice to the Council as required, to facilitate the creation of business networks (both within South Australia and Australia), which provide benefits for the City of Norwood Payneham & St Peters and the business sector.*
- *To provide strategic direction and leadership to ensure that members of the business community are able to participate in the development and implementation of the City's business and economic development outcomes.*
- *Conduct forums to identify and articulate relevant information in respect to services and activities in the City of Norwood Payneham & St Peters that contribute to the City's economic growth.*
- *Advocate and work actively with State and Federal Governments and their agencies, the private sector and relevant peak bodies on key economic priorities which deliver positive outcomes for the City and the community.*
- *Consider and advise the Council on medium and long term matters relevant to business and economic development within the City of Norwood Payneham & St Peters.*

1. CONFIRMATION OF MINUTES OF THE BUSINESS & ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING HELD ON 28 NOVEMBER 2023

Cr Callisto moved that the Minutes of the Business & Economic Development Advisory Committee meeting held on 28 November 2023 be taken as read and confirmed. Seconded by Ms Amanda Pepe and carried unanimously.

Cr Victoria McFarlane entered the meeting at 6.44pm.

2. PRESIDING MEMBER'S COMMUNICATION

Mayor Bria advised the Committee on the upcoming 2024 Gather Round and outlined the various events and activities that are planned for Norwood Oval and The Parade.

3. STAFF REPORTS

3.1 PROGRESS REPORT ON THE 2021–2026 ECONOMIC DEVELOPMENT STRATEGY

REPORT AUTHOR: Economic Development Officer
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4512
FILE REFERENCE: qA135720
ATTACHMENTS: A – E

PURPOSE OF REPORT

The purpose of this report is to provide the Business & Economic Development Advisory Committee, with a progress report on the implementation of the *2021-2026 Economic Development Strategy* and seek endorsement of the *Economic Development Strategy 2023 – Year 3 in Review* document.

BACKGROUND

The *2021-2026 Economic Development Strategy*, is designed to guide economic development within the City, identify priority areas for the five (5) year period and articulate the Council's role in supporting business and economic development.

The *2021-2026 Economic Development Strategy* is based on research and its development is based on sector workshops and consultation with various business sectors. The results were presented to the Business & Economic Development Committee at its meeting held on 16 June 2020. At that meeting, the Committee endorsed the Draft Strategy as being suitable to present to the Council for its consideration and endorsement to be released for community consultation and engagement.

Subsequently, the *Draft 2021-2026 Economic Development Strategy* was presented to the Council at its meeting held on 6 July 2020. At that meeting, the Council endorsed the *Draft 2021-2026 Economic Development Strategy* as being suitable to release for community consultation and engagement.

Following the conclusion of the consultation period, the results of the consultation and the revised final document, were presented to the Committee and subsequently to the Council for its endorsement. At its meeting held on 6 October 2020, the Council endorsed the *2021-2026 Economic Development Strategy*.

The *2021-2026 Economic Development Strategy* and the *2021 – Year 1 in Review* and *2022 – Year 2 in Review* documents can be accessed via the Council website. The *Economic Development Strategy 2023 – Year 3 in Review* document will also be placed on the Council website, following its endorsement by both the Committee and subsequently the Council. The content of this document is contained in **Attachment A**.

This report provides an update on the key Strategies and Actions that have progressed since the last Committee meeting as well as seeking the endorsement of the Committee to finalise the *2023 – Year 3 in Review* document.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The *2021-2026 Economic Development Strategy* is the Council's "blueprint" to guide the growth of the City's economy for a five (5) year period. The Strategy sits within the Council's decision-making framework and has been developed to align with other key strategic and policy documents.

The key strategies that have been used to inform, or that will work in conjunction with the *2021-2026 Economic Development Strategy* are listed below:

- *The 30-Year Plan for Greater Adelaide*
- *The Planning & Design Code*
- *CityPlan 2030: Shaping Our Future – Mid Term Review 2020*
- *Kent Town Economic Growth Strategy 2020 - 2025*
- *Norwood Parade Precinct Annual Business Plan*
- *Smart City Plan*

FINANCIAL AND BUDGET IMPLICATIONS

At its meeting held on 5 June 2023, the Council endorsed the Norwood Parade Precinct Annual Business Plan for the 2023-2024 financial year.

Subsequently, at its meeting held on 10 July 2023, the Council adopted the *Annual Business Plan, Budget and Declaration of Rates for 2023-2024*, which includes the following in respect to The Parade Precinct Separate Rate and the Economic Development Precinct Management budgets:

- A total budget of \$215,000 is to be collected through The Parade Precinct Separate Rate for the 2023-2024 financial year for the primary purpose of marketing and promoting The Parade, Norwood; and
- a total budget of \$104,000 be allocated by the Council to continue to deliver the Economic Development agenda in the 2023-2024 financial year.

In addition, *Raising the Bar Adelaide 2023* and the *Eastside Business Awards 2024*, received separate funding as part of the Council's 2023-2024 Budget.

A report was presented to the Council at its 3 June 2024 meeting on the proposed extension of the Separate Rate for 2024-2025 and the 2024-2025 Norwood Parade Precinct Annual Business Plan. Further reports on both of these matters will be presented to the Council at its meeting scheduled for 3 June 2024.

The Council's 2023-2024 Economic Development Budget has been used to deliver the final Actions listed in Year 3 and to commence the delivery of the Year 4 Actions of the Strategy. Some of the Year 3 and 4 and Ongoing Actions that have progressed since the last Committee meeting are set out in **Attachment B**.

The total budget to deliver the Economic Development Agenda in the 2024 – 2025 financial year, will be included in the Council's draft 2024 – 2025 Budget, which will be considered and endorsed by the Council in early July 2024. The intent is that this budget will be used to fund the remaining Actions in Year 4 and commence with further Actions in Year 5 of the Strategy as well as deliver any other initiatives determined by the Committee and the Council.

EXTERNAL ECONOMIC IMPLICATIONS

The successful delivery of the *2021-2026 Economic Development Strategy* may be impacted by the broader economic environment and world events, although Australia's and more specifically the City of Norwood Payneham & St Peters' economy has shown resilience over the past three (3) years as indicated by steady expenditure growth via *Spendmapp by Geographia*. With that said, the current interest rate is sitting at 4.35%, which is the highest rate that Australians have experienced over the last twelve (12) years. The Reserve Bank of Australia has not increased the interest rate in the past three (3) months as inflation has somewhat steadied, providing a little more certainty in the market and for consumers.

In June 2023, the State Government released its 2023 – 2024 State Budget, which allocated substantial funding to areas such as health, housing and child protection and primarily focused on addressing the cost-of-living concerns. Whilst households have received some respite in this Budget, unfortunately this has not carried through to businesses. Businesses continue to face cost pressures, including wage growth, while being impacted by lower consumer demand.

Economic Development Staff continue to support business owners and operators through face-to-face meetings and by providing them with information to help them navigate through this challenging time.

SOCIAL ISSUES

Economic development impacts on both the business sector and the local community. Whilst the key focus of this Strategy is on the business sector, the two (2) are intrinsically linked and the prosperity of the local economy relies on creating a holistic environment where people want to invest, work, do business, live, shop and socialise.

CULTURAL ISSUES

The City is a culturally rich and diverse place, with a strong identity, history and “sense of place”. Cultural and creative activity is increasingly recognised as important components of economic growth. Economic growth and sustainability through employment, vibrancy and growth are all important factors in achieving cultural vitality.

ENVIRONMENTAL ISSUES

A vital component in meeting the aspirations of current and future businesses located in the City of Norwood Payneham & St Peters, is ensuring that issues relating to environmental sustainability are considered together with economic sustainability. A sustainable environment impacts on business investment decisions and is a key asset in the success of local businesses. The Council will continue to promote programs aligned with environmental actions, as well as look to introduce initiatives with a sustainable focus that encourage and promote a circular economy.

RESOURCE ISSUES

The *2021-2026 Economic Development Strategy* has been prepared by the Council Staff, however it will require additional support, from both internal and external resources to ensure its timely implementation. The Economic Development Staff continue to work with Staff across the organisation to deliver the Actions in the Strategy.

RISK MANAGEMENT

In establishing the Strategic Framework for the *2021-2026 Economic Development Strategy*, the Council considered the economic and demographic profile of the City, the views of the business community and partners and the key influences and trends that have, and will, impact on the City’s economy. In doing so, the Council has ensured that the Strategy appropriately addresses the wide range of opportunities and challenges facing businesses and economic growth in the City. The Council will continue to work with the business community to ensure that the Strategies and Actions remain relevant and beneficial.

DISCUSSION

The implementation of the *2021-2026 Economic Development Strategy* commenced in January 2021 and to ensure that it is delivered in a timely manner, Council staff have developed a reporting structure that is presented to the Business & Economic Development Advisory Committee at each of its meetings, for the purpose of tracking the progress of the Strategy’s implementation and to provide direction and guide the staff in its implementation.

The table contained in **Attachment B**, outlines progress on the Actions under each of the four (4) key themes that have been delivered in Year 3 of the Strategy and those that have commenced in Year 4 or are ‘Ongoing’ Actions for the duration of the five (5) year Strategy. It should be noted that only the Actions that have recently been completed, commenced or progressed since the last Committee meeting have been included.

The information in the table, whilst detailed, should be read in conjunction with the *2021-2026 Economic Development Strategy* to obtain a better understanding of the individual Action and the Objective that the Council is proposing to achieve.

Similar to the *Economic Development Strategy, 2021 – Year 1 in Review* and *Economic Development Strategy, 2022 – Year 2 in Review* documents, an *Economic Development Strategy, 2023 – Year 3 in Review* summary document is being prepared, the content of which is contained in **Attachment A**.

Further reporting on the implementation of the *2021-2026 Economic Development Strategy* is identified through the ‘Implementation & Monitoring’ section of the strategy. An update on the progression of these measures and targets is provided below, as well as in the content that will form the *2023 – Year 3 in Review* document.

Outcome 1: Dynamic & Diverse City

Measure	Target	Tracking	Comment
The number of businesses and/or the number of employees in each of the four priority sectors. <i>(Remplan)</i>	10% increase in the number of businesses and/or employees in each of the four sectors over the five year period.	On track to exceed the target.	Food & Beverage Manufacturing 2021 to 2023: Increase of 12 businesses (or 17%) Cultural & Creative Industries 2021 to 2023: Increase of 113 (or 13%) Professional, Scientific & Technical Services 2021 to 2023: Increase of 80 businesses (or 13%) Retail Sector 2021 to 2023: Increase of 62 businesses (or 13%)
Total unemployment in the City of Norwood Payneham & St Peters. <i>(ABS Data)</i>	Unemployment levels in the City of Norwood Payneham & St Peters to remain below the State average.	On track	In 2021 the City of Norwood Payneham & St Peters unemployment rate was 4.9% in comparison to the South Australian unemployment rate of 5.4%. The next census will take place in 2026, the final year of the Strategy. However, through the Council's Labour Force Reports, in Quarter 3 2023, the Council's unemployment rate was 3.13%.

Outcome 2: Destination City

Measure	Target	Tracking	Comment
Level of agreement by businesses that the mix of businesses in the business precincts contributes to the prosperity of the area. <i>(Community Survey)</i>	A rating of 3.5 or greater out of 5.0.	Data not yet available.	The most recent Community Survey has just been completed, and the results not yet known.
The number of businesses across the City in the Retail, Accommodation & Food Services and Art Recreation Services Sectors.	Maintain a minimum combined total of 11.5% of total businesses in the City.	On track	As of November 2023, businesses trading within the City of Norwood Payneham & St Peters in these three (3) categories contribute to 11.47% of total businesses. This is up from 10.63% in 2020.
Retail spend across the City of Norwood Payneham & St Peters.	Increase in the amount of retail spend across the City of Norwood Payneham & St Peters.	Not on track	The following expenditure is in the categories of 'Department Stores & Clothing', 'Furniture & Other Household Goods', 'Specialised Food Retailing' and 'Specialised & Luxury Goods': 2021: \$448,390,784 2022: \$420,480,534 2023: \$442,132,913 Cost of living and interest rate pressures are impacting on the amount of disposable income available.

Number of <i>Food Secrets of Glynde & Stepney</i> bus tours.	Host ten <i>Food Secrets of Glynde & Stepney</i> bus tours annually.	On track	After the impacts of the COVID-19 pandemic, the bus tours resumed to normal programming. In 2023, ten (10) tours were conducted.
Dedicated <i>Eastside Wine & Ale Trail</i> campaign.	Deliver a dedicated <i>Eastside Wine & Ale Trail</i> campaign annually.	On track	<p>2021: Assisted members of the Eastside Wine & Ale Trail to attend the annual Cellar Door Fest event. Five (5) members (out of eight (8)) participated and received great exposure.</p> <p>2022: Updated the Eastside Wine & Ale Trail publication, which included photoshoots at many of the businesses. The launch of the new publication included a marketing campaign.</p> <p>2023: Adelady campaign including a TV segment and digital and print marketing. Also appointed Neighbourhood events to deliver the inaugural Urban Wine Walk within the City of Norwood Payneham & St Peters.</p>
Support events run by local businesses.	Support a minimum of two local business run events annually.	Not on track	<p>2021: Not achieved.</p> <p>2022: Not achieved.</p> <p>2023: The Council Supporting two (2) members of the Eastside Wine & Ale Trail to conduct the first edition of the Eastside Hop Event, as well as assisting with the inaugural Eastside Urban Wine Walk event, which showcased a number of local Eastside Wine & Ale Trail businesses.</p>

Outcome 3: Innovative City

Measure	Target	Tracking	Comment
Completion of Smart City Initiatives.	Implementation of at least three Smart City initiatives to support the City's business sector.	On track	<p>The Council has commenced with the use of smart technology to monitor a number of car parking bays in the Webbe Street car park. This will ensure adequate turnover of these car parks occurs, benefitting businesses and customers wanting to access The Parade.</p> <p>The Council also invested in the purchase two (2) thermal imaging cameras, which are available for hire by businesses.</p> <p>Business workshops with a focus on using technology to improve efficiencies and output are continuing to be investigated and will be delivered in 2024.</p>

Increase the number of businesses participating in environmentally sustainable programs such as 'Plastic Free SA'.	The number of businesses certified as 'Plastic Free' has doubled.	On track	In 2019, there were three (3) businesses in the City accredited as Plastic Free. Since then an additional five (5) businesses have become accredited. An additional six (6) previously accredited businesses have since closed down.
Level of business satisfaction with the Council's performance in attracting and supporting businesses. (<i>Community Survey</i>)	A rating of 3.5 or greater out of 5.0.	Data not yet available.	The most recent Community Survey has just been completed, with the results not yet known.

Outcome 4: Business Friendly City

Measure	Target	Tracking	Comment
Increase the number of businesses that access the Council's pre-lodgement development assessment service.	50% increase in the number of business related pre-lodgement applications.	Measure and Target to be changed to reflect the Start a Business Enquiry Form instead of the Planning Department's Pre-Lodgement Advice Service.	The Council has implemented the 'Start a Business Enquiry' form (2023) designed to provide more detailed information specifically for interested businesses looking to establish in the Council area. In 2023, twelve (12) Start a Business Enquiry Forms were submitted to the Council. In 2024, four (4) have been received to date.
Accreditation as a Small Business Friendly Council from the Office of the Small Business Commissioner (OSBC).	Accreditation as a Small Business Friendly Council is maintained.	On target	Have maintained the Council's on-going accreditation as a small business friendly Council.

CONCLUSION

The 2021-2026 *Economic Development Strategy* recognises the Council's leadership in setting a clear direction for economic development within the City and in supporting the business sector. Developing the Strategy with clear direction and focus provides the foundation for the Council to implement successful actions and initiatives and establish partnerships with different stakeholders (i.e. Federal and State Governments, developers, businesses and residents) in order to ensure the successful longevity of the City's business and economic sector.

RECOMMENDATION

1. That the report be received and noted.
2. That the content for the *Economic Development Strategy, 2023 – Year 3 in Review* document be endorsed as being suitable.

Mr Ben Pudney moved:

1. *That the report be received and noted.*
2. *That the content for the Economic Development Strategy, 2023 – Year 3 in Review document be endorsed as being suitable.*

Seconded by Mr Matt Grant and carried unanimously.

3.2 ECONOMIC DEVELOPMENT PRECINCTS OCCUPANCY LEVELS ANNUAL ASSESSMENT 2023

REPORT AUTHOR: Economic Development Officer
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4512
FILE REFERENCE: qA119911
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to provide the *Business & Economic Development Advisory Committee* with the results of the annual assessment of the occupancy levels within The Parade, Magill Road and Kent Town Economic Development Precincts.

BACKGROUND

As part of The Parade Precinct Occupancy Levels report, which was presented to the *Norwood Parade Precinct Committee* in November 2019, the Committee was advised that an assessment of The Parade Precinct's occupancy rate would be conducted annually and that the findings would be presented to the Norwood Parade Precinct Committee, the Council's *Business & Economic Development Advisory Committee*. It was also determined at that time, that other Precincts within the City would also be monitored. To date, the additional Economic Development Precincts, which have had their occupancy rates assessed are Magill Road and Kent Town. The most recent occupancy survey was undertaken on the following dates:

- The Parade Precinct – 14 December 2023;
- Magill Road Precinct – 13 December 2023; and
- Kent Town Precinct – 21 December 2023.

The initial assessment that was undertaken in 2019, was prepared in response to a report published by JLL Australia, on vacancy levels of Adelaide's "high streets" (main streets). The "high streets" assessed by JLL Australia as part of that report and the subsequent reports prepared by JLL Australia include:

- The Parade, Norwood;
- Prospect Road, Prospect;
- Hindley Street, Adelaide;
- Rundle Street, Adelaide;
- King William Road, Goodwood;
- O'Connell Street, North Adelaide; and
- Jetty Road, Glenelg.

The latest report from JLL Australia is the *3Q23 Adelaide Retail High Street Overview*, a copy of which is contained in **Attachment A**. It is important to note that JLL Australia defines The Parade (for the scope of their measurement) as being all ground floor tenancies directly fronting The Parade between Osmond Terrace and Portrush Road. It was due to this restricted scope that the Council decided to commence the process of undertaking its own assessment, which is inclusive of the entire Precinct, as defined by the Council in its Terms of Reference for the Norwood Parade Precinct Committee. It was subsequently determined that additional Economic Development Precincts would also begin to be monitored, with each Precinct having its own defined boundary.

The JLL Australia report and **Table 1** below, provide an overview of the occupancy levels in seven (7) of Adelaide's high streets. The results of this analysis shows that the majority of Adelaide's retail "high streets" are experiencing steady occupancy levels. The only high streets to have experienced a change (positive) over 3% from Third Quarter (July, August, September) 2022 to Third Quarter (July, August, September) 2023 were Jetty Road and The Parade, both of which are the most occupied high streets of those monitored by JLL Australia. **Table 2** provides a summary of the findings from the Staff annual 4Q data collection for the three (3) Economic Development Precincts (The Parade, Magill Road and Kent Town) and compares the results with the 2022 findings.

In the JLL Australia report, The Parade has been recognised as the best performing “high street” in respect to tenancy occupancy, 2.8% ahead of Jetty Road. In addition, The Parade continues to have an occupancy rate above that of the ‘Blended Average’ of all high streets which sits at 93.6%.

TABLE 1: RETAIL HIGH STREETS OCCUPANCY LEVELS – JLL AUSTRALIA FINDINGS

Street	Occupancy Rate 3Q22	Occupancy Rate 3Q23	Change (3Q22- 3Q23)
Prospect Road, Prospect	95.9%	93.5%	Declined 2.4%
Hindley Street, Adelaide	87.3%	86.8%	Declined 0.5%
Rundle Street, Adelaide	92.7%	93.8%	Improved 1.1%
King William Road, Goodwood	94.5%	94.4%	Declined 0.1%
O’Connell Street, North Adelaide	91.7%	92.7%	Improved 1%
Jetty Road, Glenelg	90.3%	95.2%	Improved 4.9%
The Parade, Norwood	94.0%	98.0%	Improved 4%

Notes: Data provided by JLL Australia.

**TABLE 2: ECONOMIC DEVELOPMENT PRECINCTS OCCUPANCY LEVELS –
COUNCIL STAFF FINDINGS**

Street	Occupancy Rate 4Q22	Occupancy Rate 4Q23	Change (4Q22- 4Q23)
The Parade, Norwood	92.5%	96.5%	Improved 4%
Magill Road	94.0%	95.0%	Improved 1%
Kent Town	93.0% (1Q23)	92.4%	Declined 0.6%

Notes: Data collected by NPSP Staff

DISCUSSION

For the purpose of this report, occupancy levels are defined as a percentage of all available commercial properties (residential properties are not included) that are currently being actively utilised by a business. In precincts such as The Parade, the occupancy level is usually calculated on the commercial tenancies that are located on the ground floor, predominately comprising of retail and commercial uses. However, given the small number of aboveground floor tenancies within these Precincts, these have been included in the assessment. Generally, the occupancy level measures the health of the local property market by representing the level of activity and demand for property.

It should also be noted that in undertaking the assessments, Council staff have made the following assumptions:

- tenancies classified as being vacant are those that:
 - have signage indicating that the premises or part of the premises was for lease;
 - tenancies that have a ‘Leased’ sign and were still vacant and the Council was not aware of a new business preparing to occupy the space; and
 - tenancies that did not have signage but were empty and the Council was not yet aware of any new business preparing to occupy the space.

The Parade Precinct

On 14 December 2023, Council staff undertook an assessment of The Parade Precinct (as defined in the *Norwood Parade Precinct Committee* Terms of Reference, which extends from Fullarton Road to Portrush Road) occupancy levels to understand the health of the Precinct during the past twelve (12) months and to compare the findings with the results published in the latest JLL Australia report. It should be noted that all information presented in this report is correct as of that date of collection.

The following assumptions were made when determining the occupancy level of The Parade Precinct:

- there were two (2) tenancies where it was unclear whether the premises were occupied or whether they were vacant and for this reason, these tenancies were excluded from the assessment and do not form part of the occupancy figures;
- the ORTA development (128 The Parade) site has not been included in the figures;
- Norwood Oval and the Norwood Town Hall are not included in the occupancy figures, however are included in the tenancy mix figures.

The research conducted by Council staff found the following:

- there is currently a total of 373 tenancies within The Parade Precinct;
- 360 tenancies were occupied by a business;
- there were thirteen (13) vacant tenancies (15 less than at the same time in 2022) within The Parade Precinct, which equates to an occupancy level of 96.5% (up from 92.5% in 2022);
- eight (8) vacant tenancies are located on the northern side of The Parade (3 less than 2022) and the northern side has an occupancy level of 95.9% (186 out of 194 tenancies); and
- five (5) vacant tenancies are located on the southern side of The Parade (12 less than 2022) and the southern side has an occupancy level of 97.2% (174 out of 179 tenancies).

A more in-depth analysis of the spread of vacant tenancies can be achieved through segregating the Precinct into three (3) sections and on this basis, the results are as follow:

- The Parade between Fullarton Road and Osmond Terrace = 96.6% (112 out of 116).
- The Parade between Osmond Terrace and George Street = 97.2% (138 out of 142).
- The Parade between George Street and Portrush Road = 95.7% (110 out of 115).

In respect to the location of vacant tenancies, the only cluster is located at 231 The Parade, which has previously been listed for sale. Aside from this, the vacant tenancies are spread throughout the Precinct.

In an attempt to build on the data that is collected, staff have also continued to monitor the tenancy mix within The Parade Precinct, as it is important to understand the diversity of businesses, as well as any trends that are becoming apparent. Too many of a particular type of business can impact on the Precinct's attractiveness as a destination. In contrast, the establishment of some types of business clusters can also create competition, which is a positive outcome for visitors. **Table 3** below, showcases the tenancy mix within the Precinct from 2022 to 2023:

TABLE 3: TENANCY MIX OF THE PARADE PRECINCT – 2022 AND 2023

Sector	Number (2022)	Percentage (%) (2022)	Number (2023)	Percentage (%) (2023)
Retail	101	29.3	103	28.4
Dining & Entertainment	70	20.3	71	19.6
Professional	65	18.8	76	20.9
Medical, Health & Wellbeing	55	16.2	58	16.0
Hair/Beauty	35	10.1	41	11.3
Training/Employment	9	2.6	8	2.2
Community	5	1.4	5	1.3
N/A (i.e. Leased signage but no business yet)	5	1.4	N/A	N/A
TOTAL	345	100%	362	100%

Table 4 below, segregates the 'Retail' and 'Professional' sectors into sub-sectors to enable a deeper understanding. Retail is segregated into two (2) categories, 'Clothing' and 'Product', which is inclusive of businesses that specialise in homewares, furniture, grocery stores, toys etc. The Professional sector is segregated into three (3) categories 'Technical' which includes, architects, graphic design, IT, marketing agencies etc, 'Financial', which includes accountants, banks, brokers etc, and 'Real Estate'.

TABLE 4: RETAIL AND PROFESSIONAL SECTOR BREAKDOWN – 2022 AND 2023

Sector Breakdown	Number (2022)	Percentage (%) (2022)	Number (2023)	Percentage (%) (2023)
Retail – Product	66	65.3	69	67.0
Retail – Clothing	35	34.7	34	33.0
Professional – Technical	35	53.8	43	56.6
Professional – Financial	24	36.9	28	36.8
Professional – Real Estate	6	9.2	5	6.6

The changes experienced within the Precinct, include the introduction of 39 new businesses, a number of which have come online as a result of the completion of the COMO development, the complete closure of 15 businesses and the relocation of 8 businesses to other precincts. A summary of the new businesses that have opened, relocated or left The Parade Precinct is contained in **Table 5**.

It is interesting to note that four (4) businesses have simply relocated within the Precinct.

TABLE 5: SECTOR SUMMARY OF BUSINESSES – OPENED, RELOCATED AND LEFT THE PRECINCT

Sector	Number of new businesses	Relocated within the Precinct	Left the Precinct
Dining & Entertainment	7	0	7
Medical, Health & Wellbeing	7	3	5
Hair/Beauty	9	0	4
Retail	10	1	4
Professional	6	0	2
Training/Employment	0	0	1
TOTAL	39	4	23

A high level comparison of the new businesses against those that have left the Precinct, shows that there has been an increase in the 'Medical, Health & Wellbeing' and 'Hair & Beauty', 'Professional' and 'Retail' sectors.

The Parade, Norwood has the tightest held tenancies in Metropolitan Adelaide, reflecting a strong desire from businesses to establish within The Parade Precinct. The integrated marketing and promotional campaigns, along with the vast array of events and initiatives have resulted in The Parade Precinct being a desirable location for businesses. Whilst the integrated marketing and promotional campaigns have tended to focus on businesses in the 'Dining & Entertainment', 'Retail' and 'Hair & Beauty' sectors. The increasing prevalence of 'Professional' businesses, suggests that The Parade digital marketing campaign, which is now pivoting to promote these types of businesses, in an attempt to demonstrate how diverse The Parade actually is starting to work.

Magill Road Precinct

The assessment undertaken by Council staff encompasses the entire length of Magill Road that falls within the City of Norwood Payneham & St Peters, and extends from Fullarton Road to Portrush Road (both the northern and southern sides), and from Portrush Road to Glynburn Road (northern side only as the southern side falls within the City of Burnside). The assessment undertaken by Council Staff was conducted on 13 December 2023 and all the details from the assessment are correct as of that date.

The assessment that has been conducted by Council staff found the following:

- there is a total of 221 tenancies (excluding residential) within the Magill Road Precinct;
- 210 tenancies were occupied by a business;
- there were eleven (11) vacant tenancies, resulting in an occupancy level of 95% (up from 94% in 2022);
- ten (10) vacancies are located on the northern side of Magill Road (down from 11 in 2022) resulting in an occupancy rate of 92.9% (up from 92.1% in 2022), however given the extended length of the Precinct on the northern side a vacancy rate of approximately 7.1% is not considered high; and
- one (1) vacancy is located on the southern side of Magill Road (down from 2 in 2022) resulting in an occupancy rate of 98.7% (up from 97.3% in 2022).

A more in-depth analysis of the spread of vacant tenancies can be achieved through segregating the Precinct into three (3) sections. The results are as follow:

- Magill Road between Fullarton Road and Osmond Terrace = 97.2% (69 out of 71)
- Magill Road between Osmond Terrace and Portrush Road = 95.1% (77 out of 81)
- Magill Road between Portrush Road and Glynburn Road (north side only) = 92.8% (64 out of 69)

In respect to the location of the vacant tenancies, there is no obvious pattern, as the majority are spread throughout the Precinct. Two (2) vacancies exist in the small portion of Magill Road (north side) between Wells Street and Frederick Street, Maylands, as a result of Dipalo Hair and Alpha Beta Gamma vacating, to accommodate the redevelopment of that property. Vacant land has also been included as being 'vacant' in this assessment.

In an attempt to build on the data that is collected, staff have also continued to monitor the tenancy mix within the Magill Road Precinct, as it is important to understand the diversity of businesses, as well as any trends that are becoming apparent. Similar to The Parade, too many of a particular type of business can impact on the Precinct's attractiveness as a destination. In contrast, the establishment of some types of business clusters can also create competition, which is a positive outcome for visitors. An example of this is the homewares sector that has established itself in the section of Magill Road between Osmond Terrace and Portrush Road. **Table 6** below, showcases the tenancy mix within the Precinct from 2022 to 2023:

TABLE 6: TENANCY MIX OF THE MAGILL ROAD PRECINCT – 2022 & 2023

Sector	Number (2022)	Percentage (%) (2022)	Number (2023)	Percentage (%) (2023)
Retail	79	39.1	78	35.3
Medical, Health & Wellbeing	33	16.3	40	18.1
Dining & Entertainment	32	15.8	34	15.4
Professional	31	15.3	33	14.9
Hair/Beauty	23	11.4	20	9.0
Community	3	1.5	2	0.9
Training/Employment	1	0.5	1	0.5
TOTAL	202	100%	208	100%

Table 7 below, segregates the 'Retail' and 'Professional' sectors into sub-sectors to enable a deeper understanding. Retail is segregated into two (2) categories, 'Clothing' and 'Product', which is inclusive of businesses that specialise in homewares, furniture, grocery stores, toys etc. The Professional sector is segregated into three (3) categories 'Technical' which includes, architects, graphic design, IT, marketing agencies etc, 'Financial', which includes accountants, banks, brokers etc, and 'Real Estate'.

TABLE 7: RETAIL AND PROFESSIONAL SECTOR BREAKDOWN – 2022 & 2023

Sector Breakdown	Number (2022)	Percentage (%) (2022)	Number (2023)	Percentage (%) (2023)
Retail – Product	75	94.9	74	94.9
Retail – Clothing	4	5.1	4	5.1
Professional – Technical	25	80.6	27	81.8
Professional – Financial	4	12.9	4	12.1
Professional – Real Estate	2	6.5	2	6.1

The changes experienced within the Precinct, are mainly associated with the partial completion of Norwood Green. The sectors that have predominately benefited from these new businesses, are 'Dining & entertainment' and 'Medical, Health & Wellbeing'. **Table 8** provides a summary of the businesses by sector that have opened, relocated or closed in the Precinct. During the 12 month period, only one (1) business relocated within the Precinct. Of the 17 businesses that have left the Precinct, ten (10) have closed completely, with the remaining seven (7) moving outside of the City of Norwood Payneham & St Peters.

TABLE 8: SECTOR SUMMARY OF BUSINESSES – OPENED, RELOCATED AND LEFT THE PRECINCT

Sector	Number of new businesses	Relocated within the Precinct	Left the Precinct
Dining & Entertainment	7	0	5
Medical, Health & Wellbeing	8	1	1
Hair/Beauty	1	0	4
Retail	5	0	6
Professional	4	0	1
Training/Employment	0	0	0
TOTAL	25	1	17

As can be seen from the tenancy mix for the Magill Road Precinct, there has been a significant increase in the number of 'Medical, Health & Wellbeing' businesses that have established in the Precinct. This is inclusive of Pilates studios and health centres, which have become more prominent on Magill Road. The abovementioned data highlights that there is more of a focus on the 'Medical, Health & Wellbeing' businesses on Magill Road to cater for the needs of the local community. Notwithstanding the increase in this sector, Magill Road is still dominated by 'Retail – Product' businesses, which is inclusive of furniture and homewares businesses.

Kent Town Precinct

The assessment that has been undertaken by Council staff encompasses the entire suburb of Kent Town, which is bordered by North Terrace (to the North), Hackney Road and Dequetteville Terrace (to the West) and Fullarton Road (to the East). The assessment undertaken by Council Staff was conducted on 21 December 2023 and all details from this assessment are correct as of that date. This forms the second assessment of Kent Town, which enables early trends to be identified.

The assessment conducted by Council staff identified the following:

- there are 370 tenancies within the Kent Town Precinct;
- 342 tenancies were occupied by a business (two (2) of these businesses do not have signage but it is clear that a business is operating, therefore they have not been included in the tenancy mix); and
- there are twenty-eight (28) vacant tenancies within the Kent Town Precinct, which equates to an occupancy level of 92.4% (up from 25 vacancies and 93% occupancy rate from the assessment earlier in 2023).

Part of this Precinct also contains a residential component, which, although located within this Precinct, does not form part of this analysis.

Table 9 below highlights the tenancy mix within the Kent Town Precinct in quarter 1 and quarter 4 2023:

TABLE 9: TENANCY MIX OF THE KENT TOWN PRECINCT – Q1 2023 & Q4 2023

Sector	Number (Q1 23)	Percentage (%) (Q1 23)	Number (Q4 23)	Percentage (%) (Q4 23)
Professional	180	50.4	185	50.0
Retail	60	16.8	57	15.4
Medical, Health & Wellbeing	48	13.4	53	14.3
Dining & Entertainment	19	5.3	18	4.9
Community	11	3.1	11	3.0
Hair/Beauty	8	2.2	10	2.7
Training/Employment	6	1.7	6	1.6
TOTAL	332	100%	340	100%

Similar to The Parade and Magill Road, **Table 10** below, segregates the 'Retail' and 'Professional' sectors into sub-sectors to enable a deeper understanding. Retail is segregated into two (2) categories, 'Clothing' and 'Product', which is inclusive of businesses that specialise in homewares, furniture, grocery stores, toys etc. The Professional sector is segregated into three (3) categories 'Technical' which includes, architects, graphic design, IT, marketing agencies etc, 'Financial', which includes accountants, banks, brokers etc, and 'Real Estate'.

TABLE 10: RETAIL AND PROFESSIONAL SECTOR BREAKDOWN FOR THE KENT TOWN PRECINCT – Q1 2023 & Q4 2023

Sector Breakdown	Number (Q1 23)	Percentage (%) (Q1 23)	Number (Q4 23)	Percentage (%) (Q4 23)
Retail – Product	58	96.7	54	94.7
Retail – Clothing	2	3.3	3	5.3
Professional – Technical	118	65.5	125	67.6
Professional – Financial	43	23.9	44	23.8
Professional – Real Estate	19	10.5	16	8.6

As can be seen by the data contained in **Table 12** below, Kent Town is dominated by 'Professional – Technical' businesses, which aligns with the look and feel of the Precinct and its identification as a creative hub. The second largest sector is the 'Retail – Product', however this sector did see a decline from Quarter 1 to Quarter 4. The third largest sector is 'Medical, Health & Wellbeing'. These three (3) sectors dominate the business makeup of this Precinct. Combined, these three (3) high level sectors (Professional, Retail and Medical, Health & Wellbeing) contribute to 79.7% of the business tenancy mix, highlighting the way in which initiatives and marketing needs to be targeted. It also reinforces the dominance and opportunities for the Kent Town Precinct, in terms of alignment with Lot Fourteen and the State Government's investment in defence.

It is expected that the number of available tenancies in Kent Town will continue to grow with the development of the Northline site on King William Street and the completion of works at the former Alchemy site.

Interstate Comparison

It is also important to compare the position of the key Economic Development Precincts within the City of Norwood Payneham & St Peters with other mainstreets and economic development precincts interstate, in order to obtain a genuine understanding of the state and health of the City's Precincts.

Table 11, below, provides the occupancy rates of other precincts around Australia in comparison with The Parade, Norwood, Magill Road and Kent Town.

TABLE 11: ECONOMIC DEVELOPMENT PRECINCTS COMPARISON AUSTRALIA WIDE

Precinct	Occupancy Rate	Data Correct As Of
High Street, Armadale, Victoria	92.4%	September 2023
South Yarra, Victoria	89.5%	September 2023
Brunswick Street, Victoria	85.8%	December 2023
Melbourne CBD (Retail Strip)	93.0%	February 2024
Sydney CBD (Retail Strip)	92.1%	February 2024
Brisbane CBD (Retail Strip)	84.8%	February 2024
Perth CBD (Retail Strip)	75.8%	February 2024
The Parade, Norwood	96.5%	December 2023
Magill Road	95.0%	December 2023
Kent Town	92.4%	December 2023

As can be seen, all three (3) economic development precincts within the City of Norwood Payneham & St Peters compare extremely well against other precincts around Australia. In particular, the high occupancy rates in all three (3) Precincts, suggests that:

- the economic activity within the Precincts is generally strong;
- there is a high level of confidence by business owners, through their decision to invest and remain in that location;
- there is a high degree of consumer demand for the products and services that are offered in the area/locality and that the demand is able to support a range of businesses;
- the overall health of the property market is strong and that the market conditions within the City of Norwood Payneham & St Peters and more generally in Adelaide and South Australia, are much stronger than the rest of the Nation, particularly in the eastern States;
- the stable and increasing occupancy rates in The Parade, Magill Road and Kent Town, during this period of high interest rates and pressure on the cost of living, indicates that the business sector has a degree of resilience and adaptability; and
- that the high occupancy rates tend to be working favourably and are helping to make the precincts more attractive to potential investors and business owners. The high occupancy rates are an indication to new entrants into the Precincts that there is potential for positive return on investment.

In general, the investment in these Precincts is fostering a positive business environment and attracting visitation and therefore expenditure, which in turn is ensuring businesses are wanting to establish in the Council area, which is creating a high demand.

Notwithstanding this, it is important to recognise that while occupancy rates provide valuable information, these need to be considered alongside other economic indicators and data, such as the mix of businesses, diversity of business offerings in the Precinct and the overall expenditure.

OPTIONS

Not Applicable.

CONCLUSION

It is acknowledged that all monitored precincts are performing extremely well and remain healthy, especially in comparison to other mainstreets around metropolitan Adelaide and Australia. There continues to be a range of new businesses entering the Precincts to complement those that are leaving. The Parade does have a diverse mix of businesses, whilst both Magill Road and Kent Town are somewhat dominated by single sectors (Retail and Professional respectively). The continued monitoring of these Precincts will be essential to ensure their continued success.

COMMENTS

Whilst it is acknowledged that a low vacancy rate is a positive representation of the health of the Precinct, research has shown that when occupancy rates go above 95%, the rental market is considered to be in a good state. This can unfortunately lead to landlords subsequently increasing rents, which in turn can have a negative impact on the tenancy mix. It also means that landlords can afford to be selective about the type of tenants that they place in individual tenancies. Staff will continue to monitor this activity to identify any such patterns, should they arise.

RECOMMENDATION

That the information contained in this report be used to produce the *Norwood Parade Precinct Occupancy Report 2023*, the *Magill Road Occupancy Report 2023*, the *Kent Town Occupancy Report 2023* and the *Activity Precincts Occupancy Report 2023*.

Ms Amanda Grocock moved:

That the information contained in this report be used to produce the Norwood Parade Precinct Occupancy Report 2023, the Magill Road Occupancy Report 2023, the Kent Town Occupancy Report 2023 and the Activity Precincts Occupancy Report 2023.

Seconded by Ms Amanda Pepe and carried unanimously.

4. OTHER BUSINESS

Nil

5. NEXT MEETING

Tuesday 28 May 2024

6. CLOSURE

There being no further business the Presiding Member declared the meeting closed at 7.37pm.

Mayor Robert Bria
PRESIDING MEMBER

Minutes Confirmed on _____
(date)